(b) whether finance Ministry was not empowered to accept the report; and

(c) by when the report is likely to be implemented?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) and (b) In accordance with the established procedure, the recommendations of the Pay Commission are initially screened by a Committee of Secretaries before the recommendations are placed before the Government for appropriate decision.

(c) The accepted recommendations of the Pay Commission will be implemented as soon as feasible.

Steps to Recover Bad Debt From Business Houses

2452. DR. GOPALRAO VITHAL-RAO PATIL: Will the Minister of FINANCE be pleased to state:

(a) the bad debt the 15 large business houses owe to the nationalised Bank, Details thereof; and

(b) what steps Government propose to take to recover the bad debt from these business houses and others?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) The Reserve Bank of India (RBI) has reported that the information is maintained by the banks ..borrower-wise and not large business house-wise; As per the scheme for collection and dissemination of information regarding defaulter borrowers having default of Rs. 1 crore and above, the total default of 15 top borrowers of the nationalised banks as on 30.3.1996 stood at Rs. 875.96 crore.

(b) The banks have been advised to , formulate a loan policy and a loan recovery policy with the approval of their Board of Directions and also set up a Recovery Cell' at head Office under the charge of a General Manager progress of recovery is reviewed by the CMDs of respective banks on monthly basis and also reviewed by the Board on quarterly basis. The setting up of Debt Recovery tribunals in the last couple of years is also expected to help banks in recovery of certain disputed or defaulted dues.

Implicit Subsidisation 245^ SHRI NARENDRA MOHAN: Will the Minister of FINANCE be pleased to state the total "Implicit Subsidisation" in our country given by Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): Implicit sub-sidisation is involved where the cost of service rendered by an organisation which is funded by Government, is not fully recovered. It could be a departmental undertaking, medical and health services, family welfare programmes, water and power supply, general and technical education, etc. Such subsidies by Government are, however, not separately quantified in the budget documents.

Treaty to Check Exim Frauds

2454. SHRI NARENDRA MOHAN: SHRI RAMDAS AGARWAL:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that unscrupulous exporters to Moscow cause a loss of around Rs. 600 crore annually to the exchequer;

(b) whether India and Russia have agreed to sign a treaty soon to check exim frauds as reported in the Indian Express dated 10th February, 1997;

(c) how many companies for the last two years were found involved in large scale misuse of the Escrow account and export scheme; and

(d) what action Government have taken so far in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) Some cases of misuse of export benefits to Russia/Moscow have been noticed. However, the financial loss, if any, caused to the exchequer in those cases is not quantified, yet.

(b) Yes, Sir.

(c) and (d) During the last two years, the Enforcement Directorate have taken up investigations in two cases of suspected misuse of Escrow account.

Sluggishness in Primary Market

2455. DR. ALLADI P. RAJKUMAR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Economic Survey has indicated that the primary market remained sluggish during 1996-97;

(b) if so, the broad reasons therefor; and

(c) what steps Government propose to take to improve the market position?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. P. VEERENDRA KUMAR): (a) and (b) The general downtrend in the secondary market and the stricter entry norms for companies introduced by the Securities and Exchange Board of India (SEBI) were responsible for reduction in the number of companies accossiong the primary market. Stricter entry norms would ensure that only good companies come into the market.

(c) Important stops taken to revive the market include:

(i) SEBI has introduced stricter entry norms for companies proposing to access, the primary capital market;

(ii) SEBI has reduced the minimum application size to Rs. 200 from 5000 to encourage small investors to subscribe to new issues;

(iii) listing of debt security without listing of equity has been allowed;

(iv) exchanges have been allowed to expand their trading terminals to locations outside their place of operations; and

(v) the first depository, National Securities Depository Limited has been set up for simpler trading in securities.

Exempting Cyclone Relief Goods from Duty

2456. DR. ALLADI P. RAJKUMAR: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have recently exempted cyclone relief goods from duty;

(b) whether said decision has helped in getting good response from exporters for relief and rehailitation to these cyclone victims in Andhra Pradesh;

(c) whether Government propose to provide more concession so that more relief comes to the people of Andhra Pradesh who are affected by the cyclone; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) Yes, Sir. The Government has issued notification Nos. 2/97-Customs and 1/97-Central Excise both dated 15.1.97 providing full exemption from customs and excise duties to goods imported/manufactured and donated for the relief and rehabilitation of the cyclone affected people of Andhra Pradesh. Both these exemptions are valid upto 30.6.1997.

(b) No data is available in this regard.

(c) and (d) Since the notifications grant full exemption from both customs and excise duties on all goods donated for the relief and rehabilitation of the